



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

Honorable Duncan Hunter
Chairman, Committee on Armed Services
U. S. House of Representatives
Washington, DC 20515-0552

MAY 3 2004

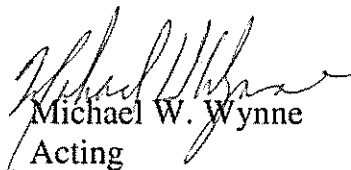
Dear Mr. Chairman:

Senate Report 108-082 accompanying the Military Construction Appropriations Act for Fiscal Year 2004 requests the Secretary of Defense to submit a progress report by March 1, 2004, detailing actions taken in response to recommendations made in the General Accounting Office (GAO) report, 'Military Housing: Opportunities That Should Be Explored to Improve Housing and Reduce Costs for Unmarried Junior Service Members,' GAO-03-602, June 10, 2003.

Enclosed is the requested progress report on the GAO report recommendations.

A similar letter is also being sent to the Chairmen and ranking members of the Senate Appropriations Committee, the Senate Armed Services Committee, and House Appropriations Committee.

Sincerely,


Michael W. Wynne
Acting

Enclosure:
As stated

cc:
The Honorable Ike Skelton
Ranking Member



Appendix A

DEPARTMENT OF DEFENSE PROGRESS REPORT March 1, 2004

Military Housing: Opportunities That Should Be Explored to Improve Housing and Reduce Costs for Unmarried Junior Servicemembers, GAO-03-602, June 10, 2003

Background

The General Accounting Office issued a report on Military Housing: Opportunities That Should Be Explored to Improve Housing and Reduce Costs for Unmarried Junior Servicemembers, GAO-03-602, June 10, 2003. The report recommended the Secretary of Defense direct the Under Secretary of Defense for Acquisition, Technology and Logistics to:

- Promote a coordinated, focused effort among the military services to determine the feasibility and cost-effectiveness of barracks privatization by addressing the associated challenges and facilitating the development of pilot project proposals.
- Direct the Army Corps of Engineers and Naval Facilities Engineering Command to jointly undertake an engineering study on residential construction practices for barracks and compliance with antiterrorism force protection requirements.
- Direct the military services to adopt residential construction practices providing the engineering studies show it can economically meet force protection requirements.
- Issue guidance directing the services to maximize use of required existing barracks space before allowing unmarried junior members to live off base with housing allowance.
- Direct Services to identify and eliminate excess barracks infrastructure.

Progress as of March 1, 2004

Recommendation 1: The GAO recommended that the Secretary of Defense direct the Under Secretary of Defense for Acquisition, Technology, and Logistics to promote a coordinated, focused effort among the Military Services to determine the feasibility and cost-effectiveness of barracks privatization by addressing the associated challenges and facilitating the development of pilot project proposals. This effort should support the use of the pilot housing privatization authority provided to the Navy in the Fiscal Year 2003 Bob Stump National Defense Authorization Act, with lessons learned applied to the other Services' efforts.

Status

The Navy is pursuing three pilot projects. Currently, these are at San Diego, Hampton Roads, and Camp Pendleton. The Navy is coordinating with the Office of the Secretary of Defense (OSD) on the San Diego project. Contingent upon OSD/OMB approval, the Navy plans to notify Congress of its intent to issue a solicitation for the San Diego project. The Navy is continuing to develop concepts for the other pilot projects.

The DoD will build on the lessons learned from the Navy's pilot projects to encourage barracks privatization in all the Military Services.

Appendix A

Recommendation 2: The GAO recommended that the Secretary of Defense direct the Under Secretary of Defense for Acquisition, Technology, and Logistics to direct the Army Corps of Engineers and the Naval Facilities Engineering Command to jointly undertake an engineering study to resolve questions about use of residential construction practices for barracks and compliance with antiterrorism force protection requirements.

Status

In August 2003, a structural assessment of the Army's pilot barracks using residential construction standards (at Fort Meade, Maryland) was completed under the direction of the U.S. Army Corps of Engineers Protective Design Center in Omaha, Nebraska. Per the assessment executive summary, "The assessment of this facility indicated that the building has a low potential for progressive collapse and upgrades will not be required to meet desired performance criteria."

Based on this favorable conclusion, additional structural studies are underway to provide specific guidance on designing barracks built to residential construction standards. This Unified Facilities Criteria is being prepared under the direction of the DoD Security Engineering Working Group, which includes the Naval Facilities Engineering Command.

To address durability concerns, the Army has contracted with the National Association of Home Builders Research Center to conduct life cycle cost analyses of the Army's pilot barracks project at Fort Meade, a new Army barracks built to traditional construction standards, and a typical private sector apartment building. The study will show whether the initial cost savings from residential construction standards would be offset by higher maintenance and repair costs over the life of the building.

Initial results of the structural and economic studies look promising, but it will take several more months before the studies are completed and definitive conclusions can be reached as to whether the use of residential construction practices for barracks is prudent.

Recommendation 3: The GAO recommended that the Secretary of Defense direct the Under Secretary of Defense for Acquisition, Technology, and Logistics to direct the Military Services to adopt residential construction practices for future barracks construction projects to the maximum extent practical, providing that the engineering studies show that barracks built with residential construction practices can economically meet all force protection requirements.

Status

Upon completion of the studies in Recommendation 2, direction will be provided consistent with recommendations and conclusions.

Appendix A

Recommendation 4: The GAO recommended that the Secretary of Defense direct the Under Secretary of Defense for Acquisition, Technology, and Logistics to issue guidance directing that the Services maximize use of required existing barracks space – defined as utilization that routinely approaches 100 percent – before authorizing unmarried junior members to live off base with a housing allowance.

Status

While DoD supports the optimal use of existing barracks spaces, the actual requirement for barracks space must first be established before issuing guidance mandating assignment of unaccompanied service members to on-base housing. The DoD is currently establishing a baseline of the Services current barracks programs and expects to receive master plans by June 2004. Once a baseline is established, DoD will develop a common requirements determination process, consistent with individual Service missions that can be used to more accurately determine actual requirements. Upon determination of actual requirements, appropriate DoD guidance will be issued.

Recommendation 5: The GAO recommended that the Secretary of Defense direct the Under Secretary of Defense for Acquisition, Technology, and Logistics to direct the Military Services to identify and eliminate excess barracks infrastructure if, by reviewing the rationale behind their barracks occupancy requirements, they determine that more unmarried junior members should be permitted to live off base with a housing allowance.

Status

As noted in the previous recommendation, establishing a common requirements process for barracks, consistent with individual Service missions, is the first step to maximizing use of existing assets, programming for new needs, and divesting of excess infrastructure. The DoD will develop a common requirements determination process after a baseline of the Service's current barracks programs has been established. This process will enable a more accurate determination of the actual requirement. Once requirements have been determined, the DoD will identify and eliminate excess barracks infrastructure.
